MSP for paddy

2435. SHRI GIREESH KUMAR SANGHI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether there is any proposal to enhance the current paddy support price;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) The Minimum Support Price (MSP) of paddy for 2005-06 were fixed by the Government at Rs. 570 per quintal for common variety and Rs. 600 per quintal for the Grade A of paddy. There is no proposal to enhance the support price.

(b) and (c) Do not arise.

Trade margin of non-branded drugs

2436. SHRI PRAMOD MAHAJAN:
SHRI EKANATH K. THAKUR:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what is the present trade margin on non-branded drugs;

(b) whether Government propose to induct fixed trade margin on these drugs;

(c) if so, how much;

(d) whether his Ministry proposes to introduce a cess on all Central taxes to raise funds; and

(e) if so, the rates thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (e) Prices of Scheduled drugs and formulations based thereon (branded and non-branded) are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of para 7 of the Drugs (Prices Control)

Order, 1995 (DPCO, 95). Price of a Scheduled formulation is fixed by allowing Maximum Allowable Post Manufacturing Expenses (MAPE) @ of 100% on ex-factory cost for indigenously manufactured Scheduled formulations and upto 50% of the landed cost for imported Scheduled formulations. The trade margin to retailers in respect of Scheduled formulations is fixed at 16%.

Prices of non-Scheduled medicines are fixed by the manufactures themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The Government constituted a Committee under the Chairmanship of Joint Secretary (Pharma) to examine the issue of span of price control (including trade margin). Subsequently, a Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission was also constituted to explore options other than price control to make available life saving drugs at reasonable prices.

Based on the recommendations of the Committee under the Chairmanship of Joint Secretary (Pharmaceuticals) and the Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission as well as feedback received from other stakeholders the Government have formulated a Draft National Pharmaceutical Policy, 2006 (Part-A-excluding pricing) which has been circulated to various departments/stakeholders seeking their comments (including imposing of trade margins). Based on the comments received the Government is likely to finalize the new Policy shortly. The issue of trade margin would also be covered under the Policy.

The proposal of this Department for introduction of a Health and Pharma Cess on the lines of education cess for launching a Health Insurance Scheme for BPL families was discussed by the Committee of Secretaries (COS) in its meeting held on 7th February, 2006 under the Chairmanship of the Cabinet Secretary. After detailed discussions it was decided, *inter alia*, that the entire exercise should be remitted to the Ministry of Health and Family Welfare which would prepare appropriate schemes within their budgetary limits.